Supreme Court, U.S.
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No. 98-362

In The

Supreme Court of the United States

October Term, 1998

HEARTSPRINGS, INC.,

Petitioner,

v.

HEARTSPRING, INC. a/k/a
INSTITUTE OF LOGOPEDICS, INC.,

Respondent.

**On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Tenth Circuit**

REPLY BRIEF OF PETITIONER

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I. RESPONDENT CONCEDES A CONFLICT

Respondent's brief in opposition amply demonstrates the confusion surrounding the standard of review applicable in this case. Respondent states:

> In the Tenth Circuit, likelihood of confusion is a question of fact, reviewed for clear error. . . . [It] treated as a question of fact subject to a clearly erroneous standard of review in the First, Third, Fourth, Fifth, Seventh, Eighth, Ninth, Eleventh and District of Columbia Circuits. The Second, Sixth and Federal Circuits treat likelihood of confusion as a question of law subject to *de novo* review.

Brief in Opposition at 4-5.

This split in the circuits, although sufficient in itself to warrant Supreme Court review, is only one layer of the problem here. As respondent readily concedes, the Tenth Circuit is at odds with other circuits as to whether "likelihood of confusion" is a question of fact or law. But what respondent *and the Tenth Circuit* fail to recognize is that the district court examined the evidence in this case in the context of a summary judgment motion, and not as a finder of fact.

Having held that "likelihood of confusion" is a question of fact, the Tenth Circuit should have given no deference to the district court's factual "findings." *But see* Tenth Circuit Opinion at A5 ("Likelihood of confusion is a question of fact we review for clear error. . . . If [the district court's] finding is not clearly erroneous, the plaintiff's claim fails.") Instead, the circuit court should have followed this Court's directive and reviewed the judgment *de novo* to simply determine whether fact issues

exist. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 249 (1986).

The inability of the Tenth Circuit and respondent to grasp these concepts should be cause for concern. While litigants in the Third, Fourth, Sixth and Ninth Circuits have their cases measured under Fed. R. Civ. P. 56, *see* Petition 6-7, litigants in the Tenth Circuit have theirs measured under Rule 52. This disparity of treatment among the circuits should not be allowed to stand.

II. THE LOWER COURTS NEED GUIDANCE

Respondent tries to downplay the inconsistency between this case and the Ninth Circuit's *Dreamwerks* case by stating that "[i]n either circuit, a mark such as APPLE Computers would be arbitrary." Brief in Opposition at 7. Respondent's argument is irrelevant here, however, because neither *Dreamwerks* nor this case involves APPLE Computers.

In the instant case, the Tenth Circuit held that in order to gain broad protection, a mark must have a *common meaning* unrelated to the product for which it has been assigned. (A10) The Ninth Circuit in *Dreamwerks* held that a mark is entitled to similar protection if it is invented solely to function as a trademark. 142 F.3d at 1130 n. 8. These standards inevitably lead to differing results. Both Dreamwerks and HEARTSPRINGS were created to serve as trademarks. Accordingly, both would be entitled to broad protection in the Ninth Circuit and significantly less protection in the Tenth Circuit. This

cannot be the result the Court desired when it decided *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992).

CONCLUSION

Respondent readily concedes that the circuits differ on whether "likelihood of confusion" is a question of law or fact. The Tenth Circuit holds that it is a question of fact, but then gives deference to the district court's decision on summary judgment. This Court should intervene to remedy the situation and accord Heartsprings its appropriate status as an arbitrary mark.

Respectfully submitted,

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